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SUMMIT TALKS END WITH WARMTH BUT FAIL TO RESOLVE KEY ISSUES

WORDS OF RESPECT

Baltics and New Soviet Stand on Emigration Cloud Trade Pact

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Special to The New York Times

WASHINGTON, June 3 — President Bush and President Mikhail S. Gorbachev concluded their second summit conference today with warm talk of amity, but with little progress toward resolving their most divisive disputes over Germany and Lithuania.

A possible new difficulty emerged at a final joint news conference in the White House when Mr. Gorbachev nettled the Bush Administration with a warning that he might consider holding up Jewish emigration unless Israel guaranteed that Soviet Jews would not be resettled in the occupied territories. [Key sections from the news conference, pages A14 and A15.]

Reaction From Israelis

The seriousness of Mr. Gorbachev's threat remains to be seen. Israeli officials said today that they were not encouraging Soviet Jews to settle in occupied areas, and that only a very small number of the 10,000 Soviet Jews arriving monthly had sought to live there. [Page A11.]

Despite their words of mutual respect, Mr. Bush and Mr. Gorbachev said they remained at odds over the Kremlin's test of wills with leaders of the Baltic republics, who have declared independence from the Soviet Union. But before Mr. Gorbachev left Washington for stops in Minnesota and San Francisco, Mr. Bush did offer a gesture to the Kremlin by saying he was not formally linking the issue of Lithuanian independence with the decision on when to submit the newly signed trade agreement for Senate consideration.

Questions on the Blockade

The only linkage, he said, was to Soviet passage of a law permitting unfettered emigration. But other American officials have said there is little chance for approval of the trade pact while Moscow maintains its oil and natural gas blockade of Lithuania.

After three days of intensive talks the two Presidents said they had made no movement toward an understanding on the future alignment of the two Germanys, which are headed for unification. The United States and other Western countries say a united Germany should be part of NATO, while the

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Soviet side wants Germany's future to be overseen by an all-Europe council.

Today, as throughout the summit meeting, there were frequent reminders of Mr. Gorbachev's domestic political and economic problems, which have shown a tendency to intrude into Soviet-American relations.

But the two Presidents' final hours together before Mr. Gorbachev's departure were marked by repeated expressions of confidence in their ability to resolve problems. They issued two additional joint statements, one about joint efforts to end the civil war in Ethiopia and the other about cooperation on environmental questions.

Plans to Meet More Often

They announced plans to meet more frequently, perhaps in annual working meetings that lack the ceremony and political expectations of a formal summit conference, which is usually arranged for signing major agreements.

"We're now at the stage in the U.S.-Soviet relationship and, indeed, in world history where we should miss no opportunity to complete the extraordinary tasks before us," Mr. Bush said.

Mr. Gorbachev, who seemed to revel in Mr. Bush's respect and in the applause of the American public, spoke of a "qualitatively new relationship." He offered extraordinary praise to Mr. Bush "as a political leader who is able, in a very human way, and in a politically responsible way, to engage in dialogue and cooperation."

The summit conference ended this morning much as it began on Thursday, with ceremonies that dramatized the different tone of the meeting itself and of Soviet-American relations.

At the North Portico of the White House, the Presidents' wives, Raisa Gorbachev and Barbara Bush, embraced as their husbands went through the formalities of a departure ceremony before the Gorbachevs left on a trip to Minneapolis and San Francisco. Mr. Gorbachev paused for a moment before a cheering crowd, his hands clasped like a victorious boxer, before sweeping off in his Zil limousine.

An hour earlier, the two leaders had walked together down a red-carpeted hallway to the East Room. They sat before reporters, certainly not as allies, but as friendly rivals talking about banishing suspicion and emphasizing the importance of the documents signed here on Friday, including commitments to reduce their long-range nuclear arms and to make deep cuts in stockpiles of poison gas.

Taking Risks to Help Gorbachev

Mr. Bush's position on Lithuania seemed to symbolize the change. Having moved from a policy of support for Soviet reform to one of backing Mr. Gorbachev personally, Mr. Bush has now demonstrated himself willing not only to have a new kind of dialogue with Mr. Gorbachev, but also to take political risks to help him.

After days of saying it would be difficult to improve commercial ties when the Kremlin was squeezing Lithuania with economic sanctions, Mr. Bush said today that the Lithuanian situation would not keep him from offering the new trade treaty to the Senate.

Although this position seemed certain to inflame members of Congress who have already expressed doubts about the treaty, Mr. Bush said he would send the document to the Senate and recommend removing tariff and credit restrictions as soon as the Soviet Union enacted a promised new emigra-

tion law.

Mr. Bush said he did not "want to mislead the American people and say that I have lessened my concern over the Baltic states," Lithuania, Latvia and Estonia. He said the Soviet Union's actions in Lithuania were "thorns in the side of an overall relationship."

But he said the only "linkage" between other issues and the granting of trade concessions to Moscow was the United States' insistence that the more liberal Soviet emigration policies be codified into law. Once the Soviet Union fulfills its promise to enact a new emigration bill, Mr. Bush said, "we go forward" on the trade agreement.

Although American officials remain confident that the Soviet Union will enact the new law, Mr. Gorbachev added a new wrinkle to the issue when he was asked how the Soviet Union and United States could guarantee that Soviet Jews who emigrated to Israel would not settle on occupied land in the West Bank.

Israel has shown no sign so far that it would be willing to prevent immigrants from going there. Arab leaders say they fear that if Soviet Jews move to the West Bank in massive numbers, they will inevitably displace Palestinian Arabs, making impossible their

The two sides are still at odds over German unity and the Baltics.

goal of an independent Palestinian entity.

Mr. Gorbachev said he had been "bombarded by criticism" from Arab governments on this issue. He said that if Israel did not offer assurances that Soviet Jews would not settle on occupied territory, "we must give further thought to it in terms of what we can do with issuing permits for exit."

Seeks Israeli Assurances

Using a formula that he employs when he wants to suggest that his options are limited, Mr. Gorbachev said, "Some people are raising the matter in these terms in the Soviet Union, namely, as long as there are no assurances from the Israelis that this is not going to be done by them, postpone issuing permits for exit."

American officials said such action by the Soviet Union would further complicate what already promised to be a tough fight over approval of the trade treaty signed just two days ago, which is predicated on legal codification of changes in Soviet emigration policy.

American Jewish groups immediately protested Mr. Gorbachev's comments. The president of the American Jewish Committee, Sholom D. Comay, said, "Only a tiny fraction of the tens of thousands of Soviet Jews who have arrived in Israel recently have settled in the occupied areas."

Mr. Bush said, "The United States policy on settlement in the occupied territories is unchanged and it is clear, and that is, we oppose new settlements." But he did not comment directly on Mr. Gorbachev's remarks.

Brent Scowcroft, the President's national security adviser, said in an interview: "The Soviets are under enormous pressure from the Arab world. I'm presuming that this is a reaction to it on his part in hopes of getting the Israelis to restrict where immigrants

will settle."

He said any Soviet action delaying emigration visas for Jews would complicate the fate of the trade treaty.

The seriousness of Mr. Gorbachev's warning clearly depends on Israel's response. Today, Israeli officials, already under pressure from the United States, said they would assure Mr. Gorbachev that they did not encourage Jewish settlement in the occupied territories. The Government does not include East Jerusalem, where many Soviet Jews have settled, in its definition of occupied land.

Mr. Bush said he and Mr. Gorbachev had had "intensive discussions on the transforming events in Europe." He said he had told Mr. Gorbachev that he and other members of the Western alliance believed that a united Germany should be a full member of the North Atlantic Treaty Organization.

'For the Germans to Decide'

"President Gorbachev, frankly, does not hold that view," Mr. Bush said. "But we are in full agreement that the matter of alliance membership is, in accordance with the Helsinki Final Act, a matter for the Germans to decide."

The Helsinki document, which was signed by the Soviet Union, the United States and 33 other governments in 1975, recognizes the right to national self-determination. Administration officials said they did not read much significance into the comment, saying it seemed to reflect a general Soviet affirmation of the Helsinki agreement rather than a specific sign that Moscow is ready to accept German membership in NATO.

Mr. Bush said he and Mr. Gorbachev had a clearer understanding of their differences on this issue. "But I'm not sure we narrowed them," he said.

Mr. Bush demurred when asked if he thought the two countries were closer to being allies than adversaries. "We've moved a long, long way from the depths of the cold war," he said. "I don't quite know how to quantify it for you, but we could never have had the discussions at Camp David yesterday, or as we sat in the Oval Office a couple of days before with President Gorbachev, 20 years ago."

Germany, NATO and Rapport

But Mr. Bush spoke passionately of his effort to persuade Mr. Gorbachev to acquiesce in the membership of a united Germany in NATO. "The threat is unpredictability and instability," he said.

Mr. Gorbachev, who has said he does not oppose an American military presence in Europe but does not want NATO to be the pre-eminent security force in Europe, did not press the issue. Instead, he focused on the personal rapport between him and Mr. Bush.

"I don't know whether anyone will ever be able to say that we know each other totally well or completely," he said. "I think that would take many, many years. But now we have a good human relationship and, I think, a good human atmosphere between us."

He spoke with obvious enthusiasm about the reception he had received in Washington. He said, "I would like to say both to the Americans and to the Soviet people that here we, the Soviet delegation, have felt very good feelings of the American people, feelings of solidarity and a lot of interest from the Americans toward what we are doing in the Soviet Union for perestroika."

"I would like to thank all Americans for that," he said, "and they certainly can expect reciprocity from the Soviet Union."